

3993 Howard Hughes Parkway, Suite 600
Las Vegas, NV 89169-5996
Facsimile (702) 949-8321
Telephone (702) 949-8320

Robert M. Charles, Jr. NV State Bar No. 006593
Email: rcharles@lrlaw.com
John Hinderaker AZ State Bar No. 018024
Email: jhinderaker@lrlaw.com
Marvin Ruth NV State Bar No. 10979
Email: mruth@lrlaw.com

Attorneys for USACM Liquidating Trust

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

USA Commercial Mortgage Company,

Debtor.

Case No. BK-S-06-10725-LBR

Chapter 11

**DECLARATION OF GEOFFREY L.
BERMAN IN SUPPORT OF
OMNIBUS OBJECTION OF USACM
TRUST TO PROOF OF CLAIM
BASED ENTIRELY UPON
INVESTMENT IN THE BUNDY
CANYON (\$1 MILLION) LOAN**

Hearing Date: August 30, 2011

Hearing Time: 10:30 a.m.

Estimated Time for Hearing: 10 minutes

I, Geoffrey L. Berman, declare under penalty of perjury:

1. I am an adult person competent to testify in court.

2. I make this declaration based upon my personal knowledge, and upon the records USA Commercial Mortgage Company.

3. I am the Trustee of the USACM Liquidating Trust ("USACM Trust"), which is an entity created by the Debtors' Third Amended Joint Chapter 11 Plan of Reorganization ("Plan"), in the jointly-administered bankruptcy cases, In re USA Commercial Mortgage Company, BK-S-06-10725-LBR, pending in the United States Bankruptcy Court for the District of Nevada.

4. USACM circulated an Offer Sheet to prospective Direct Lenders soliciting funding for an acquisition and development loan to a borrower identified as “Bundy Canyon Land Development, LLC.” The Offer Sheet stated that the Borrower was a joint venture between USA Investment Partners and two individuals, Chris Pederson and Kevin Everett. The total loan amount proposed was \$1,050,000. The Offer Sheet described the investment as a “First Trust Deed Investment” and noted that the investment would be secured by a first deed of trust on approximately 7 acres of property to be developed into approximately 27 lots, located on Bundy Canyon Road in Riverside County, California, near the city of Murrietta. The loan to value ratio was 39% based on the sell out price for the approved mapped lots. The Offer Sheet noted that an appraisal had been engaged.¹

5. On January 6, 2006, Borrower made and delivered a “Promissory Note Secured by Deed of Trust” (the “Note”) and a Loan Agreement. The Note and Loan Agreement provided for a loan of \$1,050,000. Pursuant to the Loan Agreement, the loan was intended to acquire the real property. The Note was secured by a “Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing” (the “Deed of Trust”) from the Borrower in favor of the sole investor in the loan, Duane Deverill Trustee of the Nevada Freedom Corp PSP (“Deverill”), that was recorded in the official records of Riverside County, California on January 9, 2006 at Instrument Number 2006-0018070.

6. The Note was also supported by a guaranty from Tom Hantges and Joseph Milanowski.

¹ Neither I nor members of Development Specialists, Inc., financial advisor to the Trust have been able to locate an appraisal for this loan and it does not appear that one was ever obtained.

7. The USACM “Loan Summary” dated July 31, 2006 and filed in this case shows that Borrower was “Performing” on the Note as of July 31, 2006, as sufficient cash was held by the disbursement agent to pay outstanding interest due.

8. The USACM “Loan Summary” dated February 28, 2007 and filed in this case shows that the Borrower was “Performing” on the Note as of February 28, 2007 as well.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: July 22, 2011

/s/ *Geoffrey L. Berman*

Geoffrey L. Berman

LEWIS
AND
ROCA
LLP
LAWYERS

COPY of the foregoing
mailed this 22nd day of
July, 2011, to:

Nevada Freedom Corp.
Ftbo Duane U. Deverill
P.O. Box 4718
Incline Village, NV 89450

LEWIS AND ROCA LLP

s/ Renee L. Creswell
Renee L. Creswell